



## American Recovery and Reinvestment Act (ARRA) Funding For IDEA, Special Education

1. How much IDEA Special Education funding will we receive?

Preliminary allocations were received by the State on April 1, 2009. IDEA formulas were applied to determine amounts to be awarded to each LEA. Allocation amounts were e-mailed to systems and are on the special education website.

2. Will the ARRA funds be included in the flow-through Part B allocation? Will we know what our regular allocation will be in addition to the ARRA funds?

Each LEA will receive separate allocations as follows: Part B Regular, Part B ARRA, Part B Preschool, Part B Preschool ARRA. These are separate allocations and must be budgeted and accounted for separately. Allocations have been forwarded to LEAs by e-mail and are also available on the Special Education website.

3. Will any of the allocation come to our system prior to July 1, 2009?

The LEA has the flexibility to apply for up to 50% of the ARRA funds prior to July 1, 2009. To do so, an ARRA application must be completed and submitted to the State in substantially approvable form prior to obligating those funds. Once the application is approved, the funds become available. Remember, however, that as with the regular Part B allocation, these funds are available as a reimbursement of expenditures. No Part B regular flow through funds may be applied for prior to July 1, 2009.

4. Will these funds impact the IDEA, Part B and Preschool funds for school year 2009-10?

These funds are in addition to the regular flow through allocations. They must be budgeted separately from the regular Part B funds but used by the school system under IDEA law, regulations, and guidance.

5. Will there be a required percentage going to preschool?

Each school system will be allocated Preschool ARRA funds based on the

IDEA Preschool formula.

6. Will the ARRA amount given to school districts be divided between the two years or will the amount given be each year for the next two years?

This is additional funding for FY 2010. As with your Part B allocations, these funds are available to the school system for 27 months. If the LEA does not expend the funds prior to September 30, 2010, a completion report and carryover budget must be submitted, which in turn allows the LEA another 12 months of availability. **Funds must be obligated by September 30, 2011 or they will be lost.** The only difference regarding availability between your regular Part B allocation and the ARRA allocation is the additional flexibility to request ARRA funds prior to July 1, 2009, which would increase the period of availability by the number of months the funds are expended in FY 2009.

7. How will the funds be disbursed?

After applying for these funds through the ARRA application process, the LEA will request reimbursement under the same process used now for regular Part B funds. Funds will be tracked in the following sub funds: 90S for IDEA Part B ARRA and 91S for IDEA Preschool ARRA

8. Will the additional ARRA funds continue for several years?

The original FY 2010 ARRA allocation is available for 27 months (or longer if the LEA applies to use funds during the remaining months of FY 2009). We do not know if additional funding for these purposes will be continued in the future.

9. Will the district's allocation be sent directly to the district or will this be a reimbursement system?

As with your regular Part B funds, ARRA funds are also sent to the LEA through reimbursement of funds expended.

### ***Application Process***

1. How will I apply for this money? Do I submit an additional application?

There is an ARRA application available on the special education website. The LEA has the choice to apply for up to 50% of the ARRA funds prior to July 1,

2009. If the LEA applies early, the remaining funds must be amended into the ARRA application prior to September 30, 2009. Otherwise, the LEA will submit an ARRA application to the Management Consultant prior to July 1, 2009 for obligation during FY 2010. Please remember that the same guidelines apply to the ARRA funds as to the regular Part B funds.

The ARRA application remains completely separate from the regular Part B Application regardless of whether the LEA applies prior to July 1, 2009 or not.

Separate accounting procedures must be maintained on the ARRA funds.

**The LEA must assure accurate documentation is complete, reliable and transparent. The Act contains stringent reporting requirements and also requires detailed information on the use of these funds be reported publicly.**

2. Is there any special documentation that has to be maintained regarding the funds?

The separate ARRA application is due to the additional accountability and documentation required by these funds. The LEA has even greater responsibility to maintain accurate and transparent records. As with the regular Part B funds, any changes within the ARRA application must be submitted to the State as either an addendum or amendment, as appropriate.

3. Once we have developed a budget, do we use the same approval process as for IDEA as far as amendment or addendums?

Yes, if necessary the LEA will submit either amendments or addenda to the ARRA application.

4. Do we have to spend a proportionate amount of the stimulus for unilaterally placed students?

Yes, the LEA will receive from the State the amount of funds to be reserved from both Part B and Preschool regular funds as well as Part B ARRA and Part B Preschool funds for eligible private school students enrolled by their parents.

5. Will there be specific guidelines to follow for expenditures, including examples?

Use of these funds comes under the same guidelines as IDEA law, regulations, and guidance. However, the transparency of reporting expenditures will only increase. Once additional guidance is forthcoming

from USDE, we will forward that guidance to school systems.

### ***Use of Funds***

1. How may these funds be used? Are there any restrictions on their use?

The goals of ARRA include spending the funds quickly to create and save jobs and to improve student achievement through school improvement and reform. LEAs have a unique opportunity to provide innovative programs and strategies that would not have been available without the funding from this additional source. The LEA is encouraged to invest these funds thoughtfully to minimize funding problems when ARRA funds are no longer available.

LEAs must be guided by IDEA law, regulations, and guidance (including EDGAR and GEPA) in determining activities to provide with ARRA funds. These funds must be used only for the excess cost of providing special education and related services to students with disabilities (except for areas specifically identified within the law).

2. Will we be able to purchase special education buses?

If the LEA has a need for special transportation based upon eligible students' individual education plans, then special education buses could be an appropriate expenditure.

3. If a child with an IED rides it, may the money be used to purchase a school bus?

The LEA may not purchase regular school buses with federal funds. School systems must provide all students the opportunity to access all available services without discrimination. Only when special transportation needs dictate that special education students cannot avail themselves of regular transportation services, should the LEA look into special education buses (for example, lifts for wheelchairs, special needs for fragile students, etc.).

However, the LEA could investigate buying regular education buses from funds "freed up" if it takes advantage of the reduction in maintenance of effort authority. See additional information in the Maintenance of Effort Section.

4. If we buy special education buses with this money, can we pay for them all at once or do we still have to pay for them over a three-year period?

You may purchase buses during one fiscal year instead of having to lease purchase over a three-year period.

5. Will we be able to spend the money to help with technology in not only special education rooms but inclusion regular education settings where the special education teacher and the regular education teacher team teach together?

If this is a need identified for special education students, either in special education classrooms or those in inclusion classrooms, this is an appropriate use of funds. Remember that the main purpose for purchasing the technology would be for the use of special education students. Use by other students should be allowed only if there is incidental benefit.

6. May the money be used to buy an eye testing machine to do vision screening for all students?

This is not allowed from federal funds. However, if the LEA elects to reduce their state and local maintenance of effort, this appears to be permissible under ESEA. (Please refer to the Maintenance of Effort section of this document for further guidance.)

7. Can playgrounds be paid for with ARRA money?

If specialized playground equipment for special education students is needed, it may be purchased with these funds.

8. What technology equipment can be purchased with ARRA funds? And from which categories of funding – building improvement, Title 1, etc? From which categories could we purchase hardware, such as model classrooms, or software, such as e-mail for students?

Any technology to be used by special education students is appropriate to purchase with Part B ARRA federal funds. If the LEA plans to purchase technology for the entire system, then refer to the guidance under ways to spend money if the LEA reduces state and local maintenance of effort.

9. Can we purchase technology equipment for Title 1 schools without supplanting?

If the LEA uses the Permissive Use of Funds for Schoolwide Schools, and this expenditure is included in the schoolwide budget/plan, this is permissible. Otherwise, the LEA might decide to reduce their state and local maintenance of effort and use the “freed up” funds in this manner. (Refer to the maintenance of effort section of this document for further guidance.)

10. Can we pay for technology integration training for teachers on technology use and safety for students?

Any training focusing on the needs of the LEAs special education students would be an appropriate use of funds. This could include any special education staff or regular education teachers working with special education students in their classrooms.

11. How much of the money can we use for establishing new pre-k classes?

The LEA receives both Part B Preschool and Preschool ARRA allocations. If new special education preschool classes are an identified need, then this is an appropriate use of the preschool funds.

12. Can these funds be used to strengthen our inclusion programs at both the elementary and high school level by: technology, hiring additional paraprofessional or sped teachers, and/or purchasing materials?

Each LEA should look at the specialized needs within their system. Strengthening the school system's inclusion programs would appear to be an ideal way to spend these funds. The system should be cautioned, however, to remain aware of the longevity of ARRA funds when hiring staff.

13. Can these funds be used to pay the salaries of current employees that the county general purpose budget may not fund next school year, such as behavior specialist, services coordinator, sped counselor, or transition coordinator?

The LEA must maintain effort each year; however, if not hiring these positions through state and local funds does not affect MOE, then federal IDEA funds may pick up the positions without a supplanting issue.

14. Are there various types of activities/items that are encouraged for use?

LEAs are encouraged to use the funds quickly on items that will have immediate and long lasting impact on your district. You are encouraged to look at the specific needs of eligible special education students that could not be funded in the past. Be innovative, protect jobs, and work toward advancing effective education reform to achieve high standards for special education students.

15. Can the IDEA ARRA funds be used for either staff and/or instructional materials and what guidelines are attached to these?

The district is encouraged to use these funds to prevent the lay-off of special education teachers and other related service personnel needed to provide the services outlined in student IEPs. Although additional special education staff may be hired, they must be aware that these funds are available for a

limited time period. Any instructional materials and supplies needed by special education teachers and/or students would definitely impact the IEPs and therefore would be necessary and reasonable expenditures. The LEA must realize that any expenditure of funds continues to fall under the guidance of IDEA law, regulations and guidance.

16. Can the IDEA funds be used to supplement general education in inclusive settings?

Individual education plans of eligible special education students should drive the use of the funds whether or not the students are in special education classrooms or inclusive classrooms. The funds must continue to be supplemental to regular education.

17. Can any of the ARRA money be used for administrative costs such as the costs of documenting for this money?

LEAs may take indirect cost for the administration of these additional monies. Indirect costs must be budgeted in the ARRA application.

18. Can we use ARRA money for building expenses such as a storage space for OT/PT/AT equipment? Or building an audiological booth for hearing assessments? Can these funds be used for construction projects? Can we build new special education classrooms?

ARRA funds may not be used for construction. However, if no space is available at the LEA to store specialized equipment, you might consider renting space. If the need for an audiological booth for hearing assessments is a part of renovating a classroom, the LEA must be very conscientious as to which students will be included in the assessments. If only for students referred for special education or for reevaluations of special education students, this would be permissible if the LEA follows guidelines for renovations. (See ARRA guidance pages 14-15, questions D-3 and D-5)

19. Can we use ARRA money for ADA compliance for our buildings?

The LEA must be guided by the students needing the accommodations for ADA compliance. If renovations to a building are needed by students with a 504 service plan, then the LEA is responsible for this compliance. If only special education students are involved, then any renovations must be prior approved by the SEA and the LEA must conform to the ARRA guidance (Pages 14-15, questions D-3 and D-5) on alteration of facilities.

20. Can the funds only be spent on special education students already identified or can they be spent on materials used in the RTI process to intervene and prevent referrals?

If the LEA desires to use a portion of these funds on RTI, they have two choices. By using the Permissive Use of Funds for CEIS, the LEA may take up to 15% of the ARRA funds to provide coordinated early intervening services (CEIS) to at risk students not yet identified as needing special education services. Remember that in taking these funds, special education students may not be included in the services provided.

The LEA also has the option to reduce their state and local maintenance of effort by 50% of the increase in funds if they use the freed up monies for activities allowable under ESEA. In this instance, the state and local funds could be used for CEIS for all at risk students (including special education).

21. Can these funds be used for salaries? Could you employ staff, knowing it would only be for a year or two?

Yes, but keep in mind that the funds are not reoccurring. Any new staff hired should know that funding is not assured past the lifetime of the ARRA monies.

22. I have read that we are to be discouraged from hiring new staff that would need to be continued after the money is gone. I have also read encouragement that we hire transition staff to assist students with disabilities find jobs. Would that be a contract with an individual instead of an employee like our current staff?

A contract would be an allowable method of employing individuals on a limited basis. The LEA should be cautioned to alert any contracted personnel that funding is not assured past the lifetime of the ARRA monies.

23. Can IDEA ARRA funds be used for personnel to provide instruction for those students already identified with a disability? This personnel would be above and beyond what we have now in order to reduce student/pupil ratios.

Funds are to be expended on identified special education students. If the LEA wishes to reduce pupil/teacher ratios further, this is allowable. Personnel hired should be made aware of the life expectancy of funding for the positions.

24. Can it be used to restructure a transition program?

This appears to be an excellent use of ARRA funds.

25. Could funds be available to expand services (access meaning transportation; or class size reduction meaning additional teachers) for intellectually gifted learners? Could funds be used for teacher staff development in gifted



education? May the money be used for system wide gifted programs? If we have a summer accelerated program for gifted students, would we be able to pay both a regular ed teacher and a gifted teacher?

Federal special education funds are not to be used for gifted education. Inasmuch as both gifted and functional delayed are state designations, the expenditure of federal funds is not allowable on services for these two groups of students. However, if the LEA has the flexibility to reduce maintenance of effort, then the funds no longer earmarked for special education from state/local monies may be used for this purpose.

26. Can IDEA ARRA funds be used for children ages 3-21?

Yes, these funds are for eligible special education students ages 3-21. The LEA will receive an ARRA allocation for both Part B and Preschool.

27. Can some of the ARRA money be spent for CTE classrooms since our students make up a large majority of the class? Several of these teachers have asked me about the possibility of buying smart boards to improve their classroom presentation and lecture.

Individual education plans of eligible special education students should drive the use of the funds whether or not the students are in special education classrooms or inclusive classrooms. The funds must continue to be supplemental to regular education.

28. Can any of the ARRA money be used to pay stipends for teachers (both regular education and special education) to attend summer professional development?

If the professional development is geared toward services/needs of special education students, there is no reason professional development should not be included in expenditures. Stipends are allowable in this circumstance.

***Coordinated Early Intervening Services  
(CEIS)***

1. For systems required to expend 15% for EIS, do these funds come into play?

Any system required to take the 15% due to disproportionality issues would be required to also take 15% from the ARRA funds. However, for FY 2010, no school systems have been identified as needing to expend 15% of their allocation for EIS.

2. Will the LEA be allowed to take up to 15% of this ARRA funding for permissive use of funds for EIS? Will LEAs be permitted to use 15% for general education RTI activities/materials? If so, what type of documentation

will be required for that?

Yes, if the system applies for CEIS funds within the ARRA application, they may use up to 15 % of their Part B ARRA funds for early intervening services. Documentation will be the same as required within the regular Part B application. The LEA must follow the students provided services with these funds for 3 years. (See the documentation form provided on the website).

3. Can IDEA ARRA funds be used for personnel to provide interventions for RTI?

If the LEA completes the CEIS page of the ARRA application, this is permissible.

4. Can the ARRA funds be used to supplement RTI instruction of interventions in Tier II or III? Will we be able to help fund RTI for regular ed? For example special ed and Title 1 programs?

The LEA must be aware of when special education students enter into the RTI process. If in Tier III the focus is on students with disabilities, then the school system may not use funds identified for CEIS in the application. However, if the school system makes the determination to reduce maintenance of effort, then the freed up funds may be used for early intervening services for all at risk students, including special education. (See the section on reducing maintenance of effort in this document.)

5. We have been allocating a portion of our IDEA funding towards EIS. What, if anything, do we need to know about requirements in this area for the ARRA money we will be getting for IDEA in the coming year? Will we need to change anything in regard to reporting this funding?

The requirements for funding early intervening services is exactly the same whether the funds come from the regular Part B allocation or from ARRA allocations. The LEA must, however, apply for the funds separately--within the Part B application and ARRA application. All reporting requirements remain the same. Remember that any funding from ARRA must be even more transparent than ever and reporting expenditures are separate from Part B.

6. We have been told that setting aside money for EIS will lower the amount that we can reduce maintenance of effort for the fiscal year. How does that work?

The amount of funds to be expended by the LEA for CEIS counts toward the maximum amount of funds by which the LEA may reduce maintenance of

effort. The LEA first determines the amount by which they may lower their state/local maintenance of effort; they must then subtract the amount of funds to be used under Permissive Use of Funds for CEIS. For example, when calculating 50% of the increase in federal IDEA funds for FY 2010, the LEA determines that it may reduce MOE by \$75,000. However, the LEA also intends to use \$30,000 for CEIS under Permissive Use of Funds; this, in effect, lowers the amount by which they may reduce state/local MOE to \$45,000.

### ***Monitoring/Accountability***

1. Will there be special/separate monitoring on the use of these funds? What type of monitoring will be initiated regarding use of these funds?

Monitoring of ARRA funds will encompass the entire process of expending ARRA monies--from budgeting, expenditures, accountability, transparency of use and compliance with IDEA law, regulations, and guidance.

2. Will we be given guidelines to follow for accountability?

School systems will be given guidance to follow on budgeting these funds with specific codes for accountability purposes. You are required to follow all law, regulations, and guidance applicable to IDEA.

**The SEA must ensure that the LEA maintains accurate documentation which is complete, reliable, and transparent. The act contains stringent reporting requirements and also requires detailed information on the use of these funds be reported publicly.** The USDE expects each state to monitor these funds to ensure data quality and proper expenditures.

### ***Supplement Not Supplant***

1. Please clarify the supplement rather than supplant issues.

In guidance received from the federal Office of Special Education, if the LEA maintains or exceeds its level of state and local expenditures for special education from one year to the next, then Part B funds are considered to be supplementing state and local funds. In this case, the LEA will have met not only maintenance of effort but also the supplement not supplant requirement of the law.

### ***Maintenance of Effort***

(For additional guidance on MOE, see the document attached.)

1. Will the ARRA money impact our maintenance of effort?

In looking at maintenance of effort, LEAs are determining if the state and local funds expended each year on the special education program either stays at the same level or increases from one year to the next. In this case, the ARRA funds would have no impact.

However, the LEA may decide to use the flexibility within Part B law to reduce state and local expenditures on special education (MOE) by up to 50% of the increase in federal funds if the freed up funds are used on activities authorized under ESEA.

2. For systems with general purpose budget shortfalls for the coming fiscal year--how will maintenance of effort be addressed? Can some of the funds be used to offset maintenance of effort costs for the 2 years?

The LEA has the flexibility to reduce maintenance of effort as explained in item 1 (and in further detail at the end of this document). Once the level of effort has been reduced, this becomes the new level the LEA must maintain until such time as additional state and local funds are increased for special education programs.

3. Can and should these funds be used for class size reduction in title one schools in grades K-2 so that we have 15 to 1 ratios in those high poverty schools?

If the LEA decreases maintenance of effort, it must use the freed up funds for activities authorized under ESEA. The LEA could then decide that a reduction in class size is where it intends to focus these freed up funds.

4. The money that is taken by regular education, will it have to be used on activities that can demonstrate progress toward meeting NCLB goals or academic progress of special education students, or can it be spent on things like special education buses?

As previously stated, the reduction in maintenance of effort is only a reduction in the amount of state and local funds to be spent on special education students/programs. These "freed up funds" must then be used on activities authorized under ESEA. To spend any of these freed up funds on special education activities would NOT reduce the LEAs maintenance of effort.

5. How will general education have to account for how they spend ARRA money taken from special education?

General education will not be taking any ARRA money from special education due to the reduction in maintenance of effort. This is a reduction of state and local funds only. However, the LEA must maintain accurate and transparent documentation of how the freed up funds are budgeted and spent towards activities under ESEA. The ARRA application includes pages for the LEA to complete and will be monitored on how these funds are expended.

6. Can the LEA take 50% of the ARRA monies earmarked for special education and place it into the special education general purpose program and take the original monies that the LEA normally contributes out?

No.

7. Can the LEA take less than 50% of the increase in funds to reduce maintenance of effort?

Yes, the LEA may reduce maintenance of effort by **up to** 50% of the increase in funds.

## Reduction in Maintenance Effort Under IDEA

There is flexibility within IDEA law to allow school systems to reduce state and local maintenance of effort by up to 50% of the increase in IDEA funds from the previous year. However, in doing so, the LEA must use those state and local funds no longer being expended on special education students/programs to provide activities authorized under ESEA.

In addition, any LEA not meeting the requirements of Part B, including the requirement to meet targets in the State's performance plan, is prohibited from reducing its maintenance of effort under IDEA. Each LEA received a letter in December, 2008 indicating the determination status of "meets requirements, needs assistance, needs intervention, or needs substantial intervention". If the LEA did not receive a determination of "meets requirement" in this letter, maintenance of effort may not be reduced.

Also, if the LEA decides to use up to 15% of its IDEA Part B allocation to provide coordinated early intervening services (CEIS), the amount of funds reserved for this activity must be subtracted from the amount they would otherwise have available for a reduction in maintenance of effort.

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For example:

A school system receives for FY 2010 an ARRA Part B allocation of: \$350,000  
This system also receives for FY 2010 an IDEA Part B allocation of: 300,000  
Total FY 2010 allocation from both ARRA & Part B: \$650,000

The school system received for FY 2009 an IDEA Part B allocation of: \$250,000  
The increase of funds from FY 2009 to FY 2010: \$400,000

50% of the increase in funds: \$200,000

The LEA may reduce their state and local expenditures for the special education program by \$200,000 IF the system:

- ⇒ uses the \$200,000 not being spent on Sp Ed to provide activities authorized under ESEA,
- ⇒ does not take any funds for early intervening services, and
- ⇒ **is identified as meeting requirements within the State's performance plan.**

Please remember that whether or not the LEA requests to reduce their GP special education maintenance of effort, this has no effect on your IDEA/ARRA federal funds. ***No IDEA/ARRA federal funds will be held because the LEA is***

***not eligible to reduce maintenance of effort due to the determination letter.***

This maintenance of effort provision does not allow funds to be transferred to the local general purpose budget from your federal allocations.